



**ఆంధ్రప్రదేశ్ రాజ పత్రము**  
**THE ANDHRA PRADESH GAZETTE**  
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**NOTIFICATIONS BY HEADS OF DEPARTMENTS, Etc.**

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**ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION  
HYDERABAD.**

**Ref: Secy/S-19 (Vol.II)/D.No.325/2021.**

**Date: 02-07-2021.**

**[Regulation No.4 of 2021]**

**SECOND AMENDMENT TO THE ANDHRA PRADESH ELECTRICITY  
REGULATORY COMMISSION (TERMS AND CONDITIONS FOR  
DETERMINATION OF TARIFF FOR WHEELING AND RETAIL SALE OF  
ELECTRICITY) REGULATION, 2005.**

The present Andhra Pradesh Electricity Regulatory Commission, vide APERC(Adaptation) Regulation, 2014 (Regulation 4 of 2014), adopted the Andhra Pradesh Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff for Wheeling and Retail Sale of Electricity) Regulation, 2005 (Regulation 4 of 2005) (henceforth referred to as the Principal Regulation) which was notified by the erstwhile APERC of the undivided AP State.

APEPDCL and APSPDCL filed petitions (O.P.No. 33 of 2020 and O.P.No.35 of 2020) requesting the Commission to make suitable amendments to the Principal Regulation to allow for pass-through of FPPCA (Fuel & Power Purchase Cost Adjustment) on a quarterly basis instead of true-up on annual basis. The Commission conducted public hearings on the above petitions and issued an order after considering the views/objections/suggestions of the stakeholders, the arguments of the learned advocate for APSPDCL and APEPDCL and the material available on record. In the order, the Commission approved the proposal of APSPDCL and APEPDCL with certain modifications and decided to publish the necessary amendments to the Principal Regulation to bring into effect the pass-through of Power Purchase Cost variations every quarter.

Accordingly, the Commission, in exercise of the powers conferred on it under Clauses (zd), (ze) and (zf) of Section 181(2) read with Sections 61, 62 of the Electricity Act, 2003 (36 of 2003) and all other powers enabling it in that behalf, hereby amends the Principal Regulation as under:

**1. Short title, Extent and Commencement**

- i. This Regulation may be called the Andhra Pradesh Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff for Wheeling and Retail Sale of Electricity) Second Amendment Regulation, 2021.
- ii. This Regulation shall extend to the whole State of Andhra Pradesh.
- iii. This Regulation shall come into force with effect from the quarter commencing from 01.04.2021.

**2. The Andhra Pradesh Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff for Wheeling and Retail Sale of Electricity) First Amendment Regulation, 2014 (Regulation 1 of 2014) is repealed forthwith.**

**3. Sub-clause 12.4 in the Principal Regulation shall be substituted with the following:**

*“The Distribution Licensee shall be entitled to recover from or refund to the consumers, as the case may be, the FPPCA(Fuel and Power Purchase Cost Adjustment) as approved by the Commission from time to time either suo motu or based on the filings made by the Distribution Licensee.”*

**4. The following sub-clause shall be inserted after sub-clause 12.4 in the Principal Regulation.**

**“12.5. FPPCA(Fuel and Power Purchase Cost Adjustment)**

*Within two months from the end of every quarter, the Distribution Licensee shall file an application for FPPCA for that quarter before the Commission. The filing shall be accompanied by purchase details source-wise for the quarter along with the monthly breakups duly certified by the auditor as per the format annexed to this Regulation. If the Distribution Licensee is unable to file the FPPCA within two months, it may file the*

same within a further grace period of up to one month. After examining the request of the Distribution Licensee, the Commission may entertain the claims, if it is satisfied with the reasons submitted by the Distribution Licensee for the delay in the filings. For any wrong information furnished by Distribution Licensee, penalties will be levied on it by the Commission.

The Commission, after a prudent check of the filings and due public consultation process, will issue an order determining the FPPCA for that quarter in accordance with the following formula.

**Formula:**

$$\text{FPPCA} = (\text{APPC} - \text{BPPC}) / (100 - \text{Loss in \%})$$

**Where,**

**FPPCA** = Fuel & Power Purchase Cost Adjustment in Rs/unit up to 4 decimal places

**APPC** = The actual weighted average power purchase cost per unit of energy, which shall be arrived at as the actual total power purchase cost (including the transmission & scheduling costs) in Rs. Million that is allowed by the Commission after prudent check for the quarter for which the Distribution Licensee is seeking 'FPPCA' divided by the actual quantum of power purchases in Million Units made by the Distribution Licensee from the sources approved by the Commission for that quarter.

**BPPC** = The base weighted average power purchase cost per unit of energy, which shall be arrived at as the total power purchase cost approved by the Commission in Rs. Million (including the transmission & scheduling costs) in the RSTO (Retail Supply Tariff Order) for the quarter for which the Distribution Licensee is seeking 'FPPCA' divided by the total quantum of energy in Million Units approved by the Commission in the RSTO for the Distribution Licensee for that quarter.

**Loss in %** = The weighted average Transmission and Distribution losses (%) approved by the Commission for the Distribution Licensee for the quarter for which the Distribution Licensee is seeking 'FPPCA' or actual weighted average Transmission and Distribution losses (%) for the corresponding quarter of the previous year for that Distribution Licensee, whichever is lower.

**Manner of recovery or refund of FPPCA by the Distribution Licensee and conditions:**

A. The FPPCA determined by the Commission in the FPPCA order shall be recovered from or refunded to the consumers by the Distribution Licensee, as the case may be, in three equal monthly installments as specified by the Commission in the FPPCA order.

- B. If the Distribution Licensee fails to file FPPCA for any quarter within two months or within the grace period of one month from the end of that quarter, its claim for upward revision shall stand forfeited subject, however, to true-down, if any, at the end of the Financial Year. The DISCOMs shall pay the true-down amounts to the consumers by way of adjustments in future CC bills as determined by the Commission in the FPPCA order.*
- C. The Distribution Licensee is permitted to pass on the variations (true-down or true-up) in fuel costs (variable costs) based only on the actual bills admitted by it from the approved sources(excluding purchases from exchanges) for a quarter on its own subject to a ceiling of 50 paise/unit as per the formula specified in this Regulation to all the categories of consumers (except agricultural consumers) automatically in the CC charges of month(s) that immediately follow that quarter on a provisional basis subject to the adjustment of the same based on the subsequent determination of FPPCA by the Commission for that quarter. In respect of agricultural consumers, the Distribution Licensee may claim upward revision in fuel costs(variable charges), if any, from the Government.*
- D. The Distribution Licensee shall pass through the FPPCA uniformly on all categories of consumers existing in that quarter based on consumption.*
- E. The Distribution Licensee may raise the FPPCA bills on the Government in respect of the consumers who are provided subsidy under Section 65 of the Electricity Act, 2003.*
- F. The Distribution Licensee shall publish the FPPCA approved by the Commission in one English newspaper in English and one Telugu newspaper in Telugu having wide circulation in its area of supply for information and wider reach of the public. The FPPCA collection schedules shall be clearly indicated in the publication.”*

(BY ORDER OF THE COMMISSION)

Hyderabadd,  
30-06-2021.

**C. RAMAKRISHNA,**  
Commission Secretary (I/c).

**FORMAT**

Cost Components (Rs. Millions)																										
S. No.	Generating Station / Stage/Source	Plant Capacity (MW)	Disco's Share (%)	Energy(MU)			Cost Components (Rs. Millions)															Total				
				TO (a)	Actual (b)	Variance (c) = (b-a)	Fixed (A)			Variable (B)			Incentive (C)			Income Tax (D)			Others (E)			F=(A+B+C+D+E)				
							TO (d)	Actual (e)	Variance (f)= (e-d)	TO (g)	Actual (h)	Variance (i)= (h-g)	TO (j)	Actual (k)	Variance (l)=(k-j)	TO (m)	Actual (n)	Variance (o)= (n-m)	TO (p)	Actual (q)	Variance (r)=(q-p)					
1	X																									
2	Y																									
3	Z																									
-	Transmission Cost																									
-	LDC Costs																									
	Past claims/ refunds, if any, pertaining to the quarter(s) prior to the quarter for which FPPCA is being filed																									
-	Total																									